

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 480 - HB 763

March 18, 2015

SUMMARY OF ORIGINAL BILL: Requires the Department of Commerce and Insurance (TDCI) to submit a report to the Government Operations Committees of the Senate and the House of Representatives by December 31 of each year that includes:

- The number of applications submitted to operate or conduct a race track;
- The amount of fees collected and the amount deposited into the State Treasury pursuant to application fees levied against such applicants;
- The number of injuries and deaths sustained by drivers, pit area personnel, all persons involved in the conduct of any motor vehicle race, and any persons involved with the race who have signed a written release of liability; and

The number of race track operator or conductor licenses revoked for violations listed in Tenn. Code Ann. § 55-22-107 and the reason for each revocation.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004374): Removes the requirement of TDCI to provide oversight and regulation of race tracks. Authorizes applicable county legislative bodies to regulate the operation of race tracks and to promulgate rules for this purpose. Requires the county clerk of an applicable county to verify the person, firm, or corporation operating or conducting a motor vehicle race has the appropriate level of insurance as currently required in statute and issue documentation to the person, firm, or corporation confirming that this requirement has been met.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue - \$2,300

Decrease State Expenditures - \$2,300

Increase Local Revenue – Not Significant/Permissive

Increase Local Expenditures – Not Significant

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Assumptions for the bill as amended:

- In FY12-13, the Tennessee Race Track Licensing Program had revenue of \$2,330 and expenditures of \$2,392.
- In FY13-14, the Tennessee Race Track Licensing Program had revenue of \$2,280 and expenditures of \$2,323.
- Removing this program from oversight of TDCI will result in decreased revenue of approximately \$2,300 and decreased expenditures of approximately \$2,300 for the Tennessee Race Track Program annually.
- Removing the requirement of TDCI to approve insurance coverage held by race track operators and conductors will have no significant impact on the current operations of the Department.
- Any increase in expenditures for county clerks to verify the required information will not be significant. The additional work can be accommodated within existing resources.
- This will allow certain county legislative bodies to provide oversight of race tracks located in their respective jurisdictions. It is assumed that counties which assume regulatory authority over such racetracks will result in additional revenue and expenditures to such legislative bodies. Due to numerous unknown factors, these amounts are not able to be determined but are estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two year period.
- The Tennessee Race Track Licensing Program had a deficit of \$1,736 in FY12-13, a deficit of \$43 in FY13-14, and a cumulative reserve deficit of \$975 on June 30, 2014.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/jdb